

Sino-Soviet bloc trade with South Asia and the Far East has increased approximately 22 percent between 1953 and 1955 although the gain was substantially less than with the other non-bloc underdeveloped regions of the Middle East and Africa and Latin America. The most significant gains were made by the European satellites which more than doubled their trade with the area and by Communist China whose increase in trade is expected to reach about 20 percent. While the USSR had a sizeable percentage increase, it accounts for only a minor amount of the bloc's trade with the area in absolute terms.

The Soviet Union and Communist China are apparently serving complementary roles in the economic efforts of the bloc towards South East Asia. Moscow, it appears, is willing to accept the development of Chinese economic predominance in Malaya, Sumatra, Laos, and South Vietnam and thus far has been content to concentrate largely, though not exclusively, on diplomatic and political maneuvers in an effort to win friends in the area.

For Burma the compelling economic attraction in bloc offers of trade has been the latter's apparent willingness to accept large quantities of its surplus rice in exchange for capital goods. As a consequence of large rice exports, Burma's trade with the Sino-Soviet bloc in 1955 was eight times that of 1954. Because of Burmese suspicions about Chinese intentions, the USSR has been the more logical exponent of bloc economic blandishments and as a result Burma is economically more closely tied to the USSR than is any other non-bloc Southeast Asian nation.

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The Soviets have recently offered Laos diplomatic recognition and will probably follow through with offers of trade and assistance in an effort to drive it more firmly into the neutralist camp. Premier Souvanna is contemplating a trip to China from which other economic negotiations are expected to follow.

Cambodia's gradual turn toward neutralism has led to Moscow's invitation that Prince Sihanouk and the new Cambodian premier go to Moscow for consultations which will probably include discussions of trade and assistance. Chinese Communist and Polish economic assistance funds already pledged to Cambodia for 1956 and 1957 reportedly amount to \$40,000,000.

Thailand has thus far remained steadfast in its refusal to accept Soviet offers of manufactured goods in exchange for Thai's rice surplus.

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